

CONSUMER ALERT

Wisconsin Department of Agriculture, Trade & Consumer Protection datcp.wisconsin.gov



See Questionable Tax Practices? Let DATCP Know!

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MADISON – It is still early in the tax season, but Wisconsin consumers are already complaining loudly about potential tax fraud. The Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) is seeing an increase in the number of consumer calls about fraudulent filings, and Wisconsin residents working with a tax preparation service are reminded to reach out to DATCP if they believe that there are questionable practices taking place at the business.

“Consumers are filing their tax returns, only to be told by the IRS that a return has already been filed in their name,” said Sandy Chalmers, Division Administrator of Trade and Consumer Protection. “If you believe you are the victim of identity theft or if you suspect that someone filed your taxes without your authorization, let us know.”

Complaints from consumers already led to a consent judgment for the state against the owner and operator of All Star Tax Service in Milwaukee. The state sued the owner for a number of violations of consumer protection and lending laws, including making high-interest loans connected to his tax services.

Here are some tips to avoid becoming the victim of tax preparation fraud:

- Be alert to promotions such as “quick cash loans” that can be used to gain the personal financial information needed to file an individual’s tax return.
- Check the tax preparer’s qualifications and history. Ask questions and get references from other clients if possible.
- Find out about service fees. Avoid preparers who base their fee on a percentage of your refund or those who claim they can obtain larger refunds than other preparers. Also, always make sure any refund due is sent to you or deposited into an account in your name. Under no circumstances should all or part of your refund be directly deposited into a preparer’s bank account.
- Make sure the tax preparer is accessible. Make sure you will be able to contact the tax preparer after the return has been filed, even after the April due date, in case questions arise.
- Never sign a blank tax form.
- Never sign an authorization permitting a company to file your taxes if you do not want the company to do so.
- Never sign a document without first reading it and understanding what it says.
- Always insist upon receiving copies of all documents you are required to sign, or those that identify the terms of a transaction and the charges you will be required to pay. Confirm, before signing, that you will receive copies. If a business does not agree to provide copies, don’t sign.

Anyone suspecting fraudulent activity is encouraged to file a complaint with the state. Complaints can be filed online through the DATCP website (<http://datcp.wi.gov>) or a complaint form can be requested by calling the state’s Consumer Protection Hotline at 800-422-7128.

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